

Message Text

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60

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 FMC-04 COME-00 CIAE-00

DODE-00 INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06

CIEP-02 SS-20 INT-08 OMB-01 FEA-02 DRC-01 TRSE-00

/104 W

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R 091130Z FEB 74

FM AMCONSUL CAPE TOWN

TO SECSTATE WASHDC 3743

INFO AMEMBASSY CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LORENCO MARQUES

AMEMBASSY LUANDA

AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY PRETORIA

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E.O. 11652: N/A

TAGS: OCLR, ETRN, ENRG, SF

SUBJECT: BUNKER SUPPLY SITUATION AT CAPE TOWN

REF: STATE 7876; PRETORIA 333 (NOTAL); CAPE TOWN 45 (NOTAL);
PRETORIA 325 (NOTAL)

SUMMARY: GOVT POLICY ON ALLOCATION OF BUNKER FUEL, UNDER ARRANGE-
MENT AGREED WITH OIL COMPANIES, INSURES PRIORITY ACCESS TO
AVAILABLE SUPPLY FOR NATIONAL SHIPS AND FOREIGN SHIPS TRADITION-
ALLY ENGAGED IN SOUTH AFRICAN TRADE. CONTROL OVER REMAINING
SUPPLY IS RESERVED TO GOVT. NEARLY ALL SHIPS IN PREFERRED
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CATEGORY HAVE FIXED CONTRACTS TO SUPPLY NORMAL REQUIREMENTS. IN

PRACTICE GOVT APPEARS WILLING FUEL MOST SHIPS AS SUPPLY SITUATION HAS IMPROVED SINCE DECEMBER, WHEN IT WAS NECESSARY ALLOCATE FUEL CAREFULLY TO EXTENT OF INSURING PRIORITY NEEDS COULD BE MET. CONCLUSION GENERALLY AGREED IN ASSESSING CURRENT SITUATION WITH VARIETY OF OIL AND SHIPPING SOURCES IS THAT BUNKER FUEL IS AVAILABLE FOR ALL NORMAL REQUIREMENTS, EVEN THOUGH THIS HAS NOT BEEN OFFICIALLY ANNOUNCED, AND AVAILABILITY OF FUEL OIL WITHOUT NEW YORK OR LONDON NOMINATION CANNOT BE GUARANTEED BY LOCAL OIL COMPANIES IN ABSENCE OF PRIOR GOVT APPROVAL. END SUMMARY.

1. GOVT POLICY ON ALLOCATION OF BUNKER FUEL WAS SPELLED OUT JANUARY 18 IN ECONOMIC MINISTER'S STATEMENT ANNOUNCING THAT OIL COMPANIES, WITH GOVT APPROVAL, HAD DECIDED TO PLACE CERTAIN RESTRICTIONS ON FUEL SUPPLIES TO SHIPS IN SOUTH AFRICAN PORTS IN ORDER TO INSURE THAT REASONABLE REQUIREMENTS OF NATIONAL SHIPS, AS WELL AS THOSE OF ALL FOREIGN SHIPS TRADITIONALLY SERVING SOUTH AFRICAN IMPORT AND EXPORT TRADE WOULD BE SATISFIED BEFORE FUEL SUPPLIES ARE ALLOCATED TO OTHER VESSELS. STATEMENT ALSO DECLARED THAT ALMOST WITHOUT EXCEPTION SHIPS GIVEN PREFERENCE HAVE VIXED CONTRACTS TO COVER FUEL SUPPLY REQUIREMENTS OTHER VESSELS REFERRED TO WOULD ONLY BE SUPPLIED IF GOVT'S PRIOR APPROVAL IS OBTAINED AND THAT UNDER PREVAILING CONDITIONS IT

WOULD NOT GENERALLY BE POSSIBLE TO APPROVE THE SUPPLY OF FUEL TO SHIPS WHICH TAKE PART IN SOUTH AFRICA'S TRADE. (DETAILS REPORTED CAPE TOWN 45 AND PRETORIA 325). INCONFIRMING COMPANIES ARRANGEMENT WITH GOVT, LOCAL OIL COMPANY CHAIRMAN TOLD US INTENT WAS TO INSURE FUEL AVAILABILITY FOR SHIPS TRADITIONALLY SERVING SOUTH AFRICA'S PORTS AND FOR SHIPS ENGAGED IN COASTAL TRADE. HE WAS LESS RESTRICTIVE THAN MINISTER IN ADDING THAT OTHER SHIPS WOULD HAVE TO RECEIVE LOWER PRIORITY AND IN EXPLAINING THE SYSTEM WOULD SERVE TO GET THESE SHIPS ON TO THE NEXT PORT TO MAXIMIZE USE OF AVAILABLE FUEL AND AVOID CONGESTION IN ANY SOUTH AFRICAN PORT.

2. IN DEALING WITH LOCAL MARINE MANAGERS OF TWO U.S. COMPANIES ON FUEL REQUIRED BY A NON-COMMERCIAL U.S. VESSEL (OCEANOGRAPHIC RESEARCH SHIP), CONGEN CONFIRMED THE ONLY WAY TO GUARANTEE AVAILABILITY OF FUEL WITHOUT NEW YORK OR LONDON NOMINATION IS LIMITED OFFICIAL USE

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TO OBTAIN PRIOR SA GOVT APPROVAL. UNDER THIS ARRANGEMENT, FUEL IS ROUTINELY MADE AVAILABLE FROM INDUSTRY SHARED STOCKS ON CONSORTIUM BASIS WITH CLEARANCE OF CONTROLLER OF PETROLEUM PRODUCTS.

3. SHIPPING AND OIL COMPANY REPRESENTATIVES WITH WHOM CONGEN OFFICERS HAVE DISCUSSED SUBJECT SINCE JANUARY 18 AGREE GENERALLY THAT SUPPLY SITUATION FOR SHIPS REQUIRING BUNKERS IN PRINCIPAL

SOUTH AFRICAN PORTS AND CAPE TOWN IN PARTICULAR IS ADEQUATE FOR NORMAL REQUIREMENTS. MARINE FUEL SPECIALISTS OF ONE MAJOR OIL COOPANY HERE HAVE CONFIRMED IMPROVEMENT IN SITUATION SINCE DECEMBER AND TOLD US SOVIET AND EAST EUROPEAN SHIPS WERE INCLUDED AMONG THOSE OF MANY NATIONS OBTAINING BUNKERS WITHOUT DIFFICULTY AT PRESENT TIME. (TWO OF THESE, AND PERHAPS OTHERS AS WELL, HAD LONDON NOMINATIONS) SHIPPING SOURCE COMMENTED PRIVATELY THAT FUEL AVAILABILITY FOR ALL NORMAL REQUIREMENTS IS JCCURATE BUT AN "UNOFFICIAL" DESCRIPTION OF SITUATION.

4. ONE AGENT STATED THAT THERE IS ABSOLUTELY NO QUESTION OF FUEL AVAILABILITY FOR SHIPS WITH REGULAR NOMINATIONS ARRANGED IN NEW YORK OR LONDON AND SAID THERE HAD NEVER BEEN ANY REAL DIFFICULTY FOR COASTAL VESSELS, SHIPS REGULARLY ENGAGED IN TRADE THROUGH SOUTH AFRICAN PORTS, SUCH AS FARRELL AND LYKES LINES, NOR EVEN FOR SHIPS IN TRANSIT TO AND FROM ASIA AND AUSTRALIA, EUROPE AND NORTH AMERICAN THAT HAVE RECORD OF CALLING REGULARLY AT CAPE TOWN FOR BUNKERS. HE DID STATE HOWEVER THWT TRAMPS HAVE HAD PROZLEMS AND SOME OF THESE WILL CONTINUE FACE DIFFICULTIES. HE OBEERVED HOWEVER THAT SOME OF THESE SHIPS BELONG TO COMPANIES THAT EITHER OWE MONEY FOR FUELBILLS OR HAVE POOR RECORD WITH THEIR SUPPLIERS.

5. (BEGIN UNCLASSIFIED) RECENT PRESS REPORTS SAYS THERE APPEAR TO BE FEWER COMPLAINTS ABOUT THE SUPPLY OF BUNKERS IN SOUTHERN AFRICAN PORTS AND SHIPS OF ALL SORTS AND SIZES ARE BEING SERVED. "FLOTILLJS OF JAPANESE, CHINESE AND KOREAN TRAWLERS WHICH LAST YEAR REPORTED TO THEIR OWNERS THAT THEY WERE MAROONED HERE BECAUSE OF NON-AVAILABILITY OF GAS OIL ARE APPARENTLY HAVING THEIR NEEDS SATISFIED. THEY COME AND GO FREQUENTLY. TRANSIT SHIPS OF OTHER NATIONS ARE ALSO BEING SERVED IN TERMS OF CONTRACTS AGREED BETWEEN OWNERS AND SUPPLIERS, AND THE SITUATION IS NO WORSE IN THESE PORTS THAN ELSEWHERE, AND CERTAINLY LIMITED OFFICIAL USE

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BETTER THAN IN SOME."

DECONTROL 7/1/74. GAMON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Copy: SINGLE
Draft Date: 09 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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Handling Restrictions: n/a
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